Well, let's verify that before we go on. 1 2 meeting of the combined boards of Trinity Broadcasting Network 3 and affiliate corporations that appears in Mass Media Exhibit 124, if you turn to page 3, it reflects Terrence Hickey as an 4 assistant secretary of Translator Television, Inc. 5 A 6 I stand corrected, thank you, Mr. Shook. 7 Just as he was an assistant secretary of all of the 8 other corporations in attendance at this meeting. 9 Good, this simplifies my further observation here. 10 The action by written consent states that the undersigned, 11 being all of the directors of Translator TV, Inc. by a narrow 12 definition, I could argue that this is true, all of the 13 undersigned were directors. I don't think we are compelled to 14 assume that Mr. Terrence Hickey by signing as assistant 15 secretary is representing himself to be a full director. 16 Well, my question was much more narrow than that and 17 it was simply, did you know how this document came to be 18 prepared in the fashion that it was and apparently you don't. 19 No, sir, I do not. A 20 Now, in comparing pages 1 and 2, you'll notice that 21 page 2 bears as signature for David Espinoza whereas page 1 22 does not. 23 A Yes, sir. 24 And do you have any knowledge as to when David Espinoza signed this document?

| 1 | A No, sir, since this was action by written consent it |
|----|--|
| 2 | wouldn't have been uncommon for the various signatures to be |
| 3 | garnered in different time frames but no, sir, I have |
| 4 | absolutely no knowledge of when Mr. Espinoza's signature was |
| 5 | garnered. |
| 6 | Q And if I were to tell you that it was in 1993, would |
| 7 | that help your recollection? |
| 8 | A No, sir. |
| 9 | JUDGE CHACHKIN: This a good time for luncheon |
| 10 | recess? |
| 11 | MR. SHOOK: Yes, sir. |
| 12 | JUDGE CHACHKIN: All right, we'll be in recess until |
| 13 | 2:40 (sic). |
| 14 | (Whereupon, a lunch recess was taken from 12:35 p.m. |
| 15 | to reconvene at 1:45 p.m.) |
| 16 | |
| 17 | |
| 18 | |
| 19 | |
| 20 | |
| 21 | |
| 22 | |
| 23 | |
| 24 | |
| 25 | |

| 1 | AFTERNOON SESSION |
|----|--|
| | JUDGE CHACHKIN: Back on the record. All right, |
| 2 | |
| 3 | continue, Mr. Shook. |
| 4 | MR. TOPEL: Your Honor, Mr. Shook has granted me |
| 5 | indulgence and if Your Honor would also to allow Dr. Crouch, |
| 6 | we'd like to correct a matter that arose as of as a result |
| 7 | of this morning's examination. |
| 8 | JUDGE CHACHKIN: You have no objection? |
| 9 | MR. SHOOK: No, Your Honor. |
| 10 | JUDGE CHACHKIN: Go ahead, Dr. Crouch. |
| 11 | DR. CROUCH: Your Honor, on page 14 of my direct |
| 12 | testimony, at the very top, Item 28. |
| 13 | JUDGE CHACHKIN: Page 28? |
| 14 | DR. CROUCH: Page 14 at the top of the page |
| 15 | JUDGE CHACHKIN: Okay. |
| 16 | DR. CROUCH: Item 28. |
| 17 | JUDGE CHACHKIN: Yes, sir. |
| 18 | DR. CROUCH: It reads "In 1987 good friends of mine, |
| 19 | Dave and Al Roever approached me", etc. In my deposition I |
| 20 | made it clear that Mr. Dave Roever was a good friend and that |
| 21 | David Roever, my good friend, and his brother, Al Roever |
| 22 | approached us with the concept of acquiring the Odessa |
| 23 | station. When that information was written up by counsel in |
| 24 | my direct testimony, a simple error was made and I didn't even |
| 25 | focus on it but I've testified that I have not and I do not |

2698

recall to this day ever personally meeting Al Roever but, of course, his brother David is indeed my good friend and I just wanted to correct that for the record to make sure everybody 3 understood what the facts were. JUDGE CHACHKIN: All right, go ahead, Mr. Shook. 5 BY MR. SHOOK: 6 Dr. Crouch, could you turn to Mass Media Exhibit 7 Q 128. 8 Yes, sir, I'm there. 9 Now, you'll note that there are two pages to this 10 Q exhibit, they both reference a special meeting of the board of 11 directors of Translator TV, Inc. which was held on February 2, 12 1987, do you see that? 13 14 A Yes, sir. Now, do you have any explanation as to how it is 15 that there are two versions, one having been prepared by Mrs. 16 Duff and the other having been -- I shouldn't say prepared, I 17 should say signed, having been signed by Mrs. Duff and the 18 other having been signed by Terry Hickey? 19 No, sir, I have no explanation for that. 20 A Did you direct Terry Hickey to prepare minutes for 21 22 any Translator TV, Inc. meeting? 23 No, sir, not to my knowledge. A 24 Please turn to Mass Media Exhibit 129.

FREE STATE REPORTING, INC.
Court Reporting Depositions
D.C. Area (301) 261-1902
Balt. & Annap. (410) 974-0947

25

Yes, sir.

| 1 | l Q | To orient you, this is the assignment application |
|----|-----------|--|
| 2 | ~ | a that was filed with the Commission on February 3, |
| 3 | | rst I would direct your attention to page 29. |
| | 1907. FI | |
| 4 | | MR. COHEN: What page is that? |
| 5 | | MR. SHOOK: 29. |
| 6 | | BY MR. SHOOK: |
| 7 | A. | Yes, sir, I'm there. |
| 8 | Q | Do you see the signature? |
| 9 | A | Yes, sir. |
| 10 | Q | It is yours? |
| 11 | A | It is. |
| 12 | Q | And I take it by your signature here that you |
| 13 | reviewed | the application prior to signing it? |
| 14 | A | I signed it but I do not have any independent |
| 15 | recollect | ion of studiously reviewing it. |
| 16 | Q | Well, instead of studiously reviewing it, how about |
| 17 | reviewing | it at all? |
| 18 | A | I may have flipped through but as I've testified |
| 19 | earlier, | I relied on Mrs. Duff and Mr. May to prepare this |
| 20 | applicati | on. I'm not even sure why I signed it, but I did. |
| 21 | Q | Well, look at page 29 and see what appears under |
| 22 | your name | and that may well explain why you signed it. |
| 23 | A | Yes, sir, I signed as president. |
| 24 | Q | Now, I'd like you to turn to page 24. Did you |
| 25 | review th | is information, sir, before signing the application? |

| 1 | A I may have. |
|----|---|
| 2 | Q Is this information correct? |
| 3 | A I have subsequently learned that it is only partly |
| 4 | correct and that there were some omissions. |
| 5 | Q And what were those omissions? |
| 6 | A Apparently a couple of individuals who were officers |
| 7 | but not directors were inadvertently omitted. |
| 8 | Q Those officers being Philip Crouch and Terry Hickey? |
| 9 | A I believe that is the case. |
| 10 | Q Now, with respect to Philip David Espinoza, I notice |
| 11 | that he's listed here as treasurer. |
| 12 | A Yes, sir. |
| 13 | Q And that's treasurer of, I guess, the name his |
| 14 | according to the application the name has now changed to |
| 15 | National Minority TV, Inc. |
| 16 | A Yes. |
| 17 | Q Up to this point in time, had Philip David Espinoza |
| 18 | fulfilled his duties as treasurer? |
| 19 | A I don't think there were basically very many duties |
| 20 | as treasurer up until this time but whether or not he |
| 21 | fulfilled them is, I suppose, in some ways a subjective |
| 22 | question and I simply do not know if he totally or adequate |
| 23 | fulfilled those duties. |
| 24 | Q Now, as president of the company you would state |
| 25 | that you had no knowledge whether or not he had fulfilled his |

|duties as treasurer?

A I certainly know that he fulfilled some of them in his attendance at board meetings and reviewing the financial documents and matters in other board meetings so I cannot say for a fact that he fulfilled none of his duties, I just don't know if he fulfilled all of those duties.

Now, his review of the financial statements, those are the same financial statements that we've gone over for the last day and a half that which increasingly, you know, higher negative fund balances appeared and in which, if I recall from your testimony, you can relate nothing of any conversation or discussion that occurred among the board members as to why this is taking place?

A I've testified that I certainly didn't focus on those numbers, apparently Mr. Espinoza did not either.

Q Now, I'd like you to turn to page 32. Read to yourself the first paragraph.

A Yes, sir, I've read that.

Q Is there anything in that first paragraph that is incomplete or incorrect?

A Yes, I have come to understand that the statement that states "it" meaning National Minority, "has had the same three officers and directors since its organizational meeting in September 19, 1980", it indeed had the same directors but it did not have the same three officers.

And that has been reflected in the minutes of the 1 2 annual meetings of the combined boards that we have gone 3 through this morning for 1985, Philip Crouch, in 1986, also 4 Philip Crouch, in 1987, Philip Crouch and Terry Hickey. 5 A Yes, sir. Now, I'd like you to turn to page 33 and what I'd 6 7 like you to focus on with respect to station location in ADI 8 households in No. 11. 9 Yes, sir. Now, do you recall that in testimony there was some 10 11 question about audience figures for the New York station and 12 that the figures noted in the newsletter which obviously is 13 not a submission to the Commission, but which is a submission 14 to your partners, listed a figure of 16,000,000. Now, here it 15 appears that Poughkeepsie is the smallest of your twelve 16 stations in terms of reach. Now, did you look at this at all 17 or did you focus on this at all? 18 I certainly did not -- do not recall focusing on 19 that, I can't say I didn't ever look at this page but I 20 certainly did not focus on that number. 21 Q Do you have any explanation as to why there's such a 22 wide divergence between the figure that appeared in the 23 newsletter and the households that this station apparently 24 does cover? 25 A Mr. Shook, no, I still belief that the reach of

2703

|Channel 54 Poughkeepsie covers a significantly higher number 2 than this. As I've told you earlier, I relied upon the 3 sellers of that station who gave me that information of approximately 16,000,000 individuals which would relate 4 5 probably down to about 3.some million households, there's 3.6 6 persons per household on the national average and how Mr. May, 7 who evidently prepared this exhibit arrived at this figure of 200,000 households, I do focus on a footnote now that I read 9 it under here that says "No Arbitron figures were available, 10 these numbers are assumed based on population". I don't know 11 what that means and all I can say is you'll have to ask Mr. 12 May where he arrived at that number. 13 0 So you had no conversation with Mr. May in order to 14 determine what that number should be? 15 Α No, sir. 16 Now, I'd also like you to turn to page 30. 0 17 A Yes, sir. 18 Read that to yourself and focus specifically on the 19 second sentence that begins, "out of an abundance of caution." 20 Yes, sir, I've read that. A 21 Now, just to clarify something, the Mr. Roever who Q 22 has a program agreement with the Trinity Broadcasting Network 23 is not Al, is it, it's Dave, isn't it? 24 That is definitely Dave Roever. 25 So that this was a mistake?

| 1 | A I don't know. I think this is just to go overboard |
|----|--|
| 2 | to try and let the agency know everything, even including the |
| 3 | relationship between Mr. Roever Mr. Al Roever and his |
| 4 | brother David Roever. |
| 5 | Q Now, I take it you recall perhaps all too well a |
| 6 | painful episode that involved Trinity relative to a matter |
| 7 | that I think you have referred to as Saddleback? |
| 8 | A Yes, sir. |
| 9 | Q And do you recall that you faced a particularly |
| 10 | difficult time being grilled by FCC counsel relative to a |
| 11 | possible misrepresentation in an application? |
| 12 | A I do. |
| 13 | Q With that experience in mind, what happened here? |
| 14 | A All I can say is, about ten or more years had passed |
| 15 | since that experience and I simply didn't focus on each and |
| 16 | every page and line and representation made in this |
| 17 | application either. |
| 18 | Q Well, sir, this is February of 1987 and I think your |
| 19 | book makes fairly plain that the Saddleback hearing took place |
| 20 | probably in 1981 or '82. |
| 21 | A Yes, sir, I believe that is correct. |
| 22 | Q And you didn't remember that experience as you were |
| 23 | signing this application, making representations to the |
| 24 | Commission? |
| | |

A

It's a very different kind of problem but in some

ways in that it represents inaccurate information submitted to 2 the agency, there certainly are some similarities but all I 3 can say, sir, I simply did not focus on that inaccurate information. In fact, in my deposition I said that -- I think 4 5 if I were even reviewing that today, speaking of the day I 6 gave my deposition, I might not notice that in that that is 7 the ownership section and my understanding was that the owners 8 were the directors of the corporation and I, you know, those 9 three directors are listed, officers are not control parties, 10 they are not voting members and I know now that they should 11 have been included but simply were not. 12 Now, again we went over this morning, you know, what 0 13 conversations you had with Mr. May prior to the time this 14 application was prepared, albeit perhaps a month or two in 15 advance. Do you recall this morning that we had some back and 16 forth about what conversations you had with Mr. May and if I 17 recall your testimony it was to the effect that you instructed 18 him to fully disclose to the Commission whatever information 19 apparently he thought appropriate to disclose? 20 A Yes. 21 Q And here we have specific questions in the 22 application that deal with the officers of this company and 23 yet that didn't happen.

FREE STATE REPORTING, INC.
Court Reporting Depositions
D.C. Area (301) 261-1902
Balt. & Annap. (410) 974-0947

You had no further conversations with Mr. May about

That is true.

24

25

Q

2706

| 1 | this, this | s is the same Mr. May who was at the board meeting |
|----|-------------|--|
| 2 | less than | a month before. |
| 3 | A | It evidently escaped Mr. May's attention as well as |
| 4 | Mrs. Duff | 's attention and my attention. |
| 5 | Q | Well, let's move on to Mass Media Exhibit 130. |
| 6 | You'll not | tice that there are two signatures on the document, |
| 7 | one for yo | ourself and the other for Terry Hickey. |
| 8 | A | Yes. |
| 9 | Q | And that by this document it appears that Terry |
| 10 | Hickey is | representing himself as the secretary of the |
| 11 | corporation | on. |
| 12 | A | Yes. |
| 13 | Q | Now, Terry Hickey wasn't the secretary, was he? |
| 14 | A | He was not. |
| 15 | Q | And do you have an explanation as to how this |
| 16 | document | came to be prepared in the form in which you see it? |
| 17 | A | No, sir, I do not. |
| 18 | Q | I'd like to direct your attention to Mass Media |
| 19 | Exhibit 13 | 31. |
| 20 | A | Yes. |
| 21 | Q | And you see your signature there? |
| 22 | A | Yes, sir. |
| 23 | Q | And do you see Terry Hickey's signature there, |
| 24 | identified | d as Terrence Hickey? |
| | 1 | l l |

FREE STATE REPORTING, INC.
Court Reporting Depositions
D.C. Area (301) 261-1902
Balt. & Annap. (410) 974-0947

A

Yes.

| Q | And he's not a director at this time, is he? |
|-----------|---|
| | · |
| A | My understanding he has never been a director at |
| Translate | or TV. |
| Q | All right, do you have an explanation as to how this |
| document | came to be prepared in the form in which we find it? |
| A | No, sir, I do not. |
| Q | Please turn to Mass Media Exhibit 132. |
| A | Yes, sir. |
| Q | Now, under services rendered, you now see do you |
| see an er | ntry for National Minority TV? |
| A | Yes, sir. |
| Q | Was there a separate retainer agreement entered into |
| at approx | kimately this time with Mr. May for services to be |
| provided | relative to National Minority TV? |
| A | I am not aware of it if there was. |
| Q | Would it be your understanding that the rate to be |
| charged f | for services performed by Mr. May's firm on behalf of |
| National | Minority TV are the same as the rates to be charges |
| for the c | other companies listed? |
| A | I would not be certain of that, sir. |
| Q | Would you have any reason to doubt that? |
| A | No. |
| Q | Please turn to Mass Media Exhibit 133. |
| | JUDGE CHACHKIN: Before we go on with this, Dr. |
| Crouch, y | ou testified that in your conversation with Mr. May |
| | A Q see an er A Q at approx provided A Q charged f National for the c A Q A |

| 1 | you instructed him to divulge to the fullest extent possible |
|----|--|
| 2 | all the information about the past relationships of any of the |
| | _ |
| 3 | parties to National between National Merit Minority and |
| 4 | TBN, isn't that correct? |
| 5 | DR. CROUCH: Yes, sir. |
| 6 | JUDGE CHACHKIN: Would you tell me where there's |
| 7 | anything in the assignment application which provides |
| 8 | information concern Ms concerning Ms. Duff's role in TBN? |
| 9 | DR. CROUCH: I |
| 10 | JUDGE CHACHKIN: Well, you can look at the |
| 11 | application for assignment which you certified to, sir, when |
| 12 | ļ |
| 13 | DR. CROUCH: I yes, sir. I'll take your word for |
| 14 | it that there may not be anything in that instant application |
| 15 | but there are certainly other documents on file with the |
| 16 | Commission and we believe well-known to the Commission that |
| 17 | made that abundantly clear. |
| 18 | JUDGE CHACHKIN: At the time this application was |
| 19 | filed which was the 13th application, there was information |
| 20 | for the Commission as to Ms. Duff's role in TBN? |
| 21 | DR. CROUCH: I do not know if in the context of that |
| 22 | particular application there was anything specifically |
| 23 | included about Mrs. Duff's role with Trinity Broadcasting, no, |
| 24 | sir. |
| 25 | JUDGE CHACHKIN: But you stated that you instructed |

your lawyer to include all the information possible of the past relationship of Ms. Duff in Trinity, TBN, the fact that 2 3 she was previously a director, the role that she held, that 4 she was assistant to the president, her role in all other 5 respects and I find nothing in this application which gave the Commission information about Ms. Duff's role. Am I wrong, is 6 7 there information about Ms. Duff's role with Trinity? DR. CROUCH: I'm not aware of any in this instant 9 application, Your Honor. 10 JUDGE CHACHKIN: Well, you certified, sir, that you 11 had read and all the facts were true and clear, do you have 12 any explanation why there is no information here concerning 13 Ms. Duff's role in view of your instructions to Mr. May to 14 provide that information and your certification that you had 15 reviewed the document and it was true and correct, do you have 16 any explanation why there isn't such information included? 17 DR. CROUCH: Yes, sir. 18 JUDGE CHACHKIN: What's your explanation? 19 DR. CROUCH: There is nothing in the application 20 form that would require such information but you're absolutely 21 right, I did instruct Mr. May to make that information 22 abundantly clear to the agency as to the commonality of 23 directors and anything else that he deemed advisable. 24 certainly could have been made known to the agency apart from the actual forms of this application which I certainly asked

and instructed him to co. 1 2 JUDGE CHACHKIN: Well, again, you signed it and the statements "I certify the assignee's statements in this 3 application are true, complete and correct to the best of my 4 knowledge and belief and were made in good faith." Therefore, 5 you must have been aware of the fact that this information had 6 7 not been provided by Mr. May in the application. My question 8 is, why then did you not provide, make sure that this 9 information was provided? 10 DR. CROUCH: The fact that it wasn't provided, sir, 11 in this particular application, I don't think compels us to 12 believe that that information was not provided. 13 JUDGE CHACHKIN: Well, where was it provided, sir, 14 at the time that you filed this assignment application under 15 the exemption? 16 DR. CROUCH: You may have to ask Mr. May that, sir, 17 I don't know. I certainly instructed him to do so. 18 application, as I understand it, did not provide a box to 19 check or a line to fill out or some portion that would have 20 made it convenient to supply this information. 21 JUDGE CHACHKIN: Well, there was a supplemental 22 statement, was there not, sir, and there was other -- oh, two 23 or three paragraphs dealing with the nature of the makeup, 24 what -- the stations they controlled, all kinds of information

is provided here, why -- so that certainly as a supplemental

25

statement, this information certainly could have been 2 Isn't that true, sir? It's not just the provided. 3 application that's been filled out, we have a supplemental 4 statement and obviously there was nothing precluding Mr. May and yourself from including in the supplemental statement this 5 information so that the Commission would have a better 7 understanding what the relationships was in making the 8 determination whether you were entitled to an exemption or 9 not. 10 DR. CROUCH: Mr. May may have felt that there were 11 other documents already on file with the agency to divulge 12 that information, we look -- I believe that there are abundant 13 documents on file with the agency which would certainly make 14 abundantly clear Mrs. Duff's role in relationship in other 15 Trinity or Trinity-affiliated organizations and all I can say, 16 sir, is I sincerely instructed Mr. May to make whatever 17 information he felt necessary available to the agency to see 18 if we did indeed qualify for the exception of twelve and I 19 trusted him to do that, sir, and if that was not done in the 20 agency's estimation, I sincerely regret that but I feel I did 21 all that I could do in that regard. 22 JUDGE CHACHKIN: Mr. Topel, do you have any 23 documents as of a time -- contemporary with the time that the 24 assignment application was filed, providing information to the

> FREE STATE REPORTING, INC. Court Reporting Depositions D.C. Area (301) 261-1902 Balt. & Annap. (410) 974-0947

Commission as to Ms. Duff's past relationship with TBN?

25

| 1 | Present and past relationship with TBN? |
|----|--|
| 2 | MR. TOPEL: There were documents included in the |
| 3 | Translator TV original applications disclosing the cross- |
| 4 | directorships. |
| 5 | JUDGE CHACHKIN: When were they filed, when are we |
| 6 | talking about here? |
| 7 | MR. TOPEL: They were filed in the early '80's and |
| 8 | depend |
| 9 | JUDGE CHACHKIN: But let's talk about no, I'm |
| 10 | talking about contemporary at the time that this assignment |
| 11 | application seeking an exemption under the commissions rules |
| 12 | |
| 13 | MR. TOPEL: Yeah. |
| 14 | JUDGE CHACHKIN: was there any information filed |
| 15 | with the Commission relating Ms. Duff's past and present |
| 16 | relationship to TBN? |
| 17 | MR. TOPEL: I don't I think there was a filing |
| 18 | made when the Portland application was |
| 19 | JUDGE CHACHKIN: Pardon me? |
| 20 | MR. COHEN: That was later. |
| 21 | MR. TOPEL: when the Portland application was |
| 22 | pending. |
| 23 | JUDGE CHACHKIN: When was that? |
| 24 | MR. COHEN: That was after this, Your Honor. |
| 25 | JUDGE CHACHKIN: That was after the thirteen |

| 1 | MR. TOPEL: That was it was after the Odessa |
|----|---|
| 2 | application, I'm not sure how it related to the grant of the |
| 3 | Odessa application but |
| 4 | JUDGE CHACHKIN: Well, if you have any documents |
| 5 | which were filed contemporary with the contemporaneously |
| 6 | with the Odessa application, I think they should be in the |
| 7 | record or else we'll have to assume that no such documents |
| 8 | were filed. Go ahead, Mr. Shook. |
| 9 | MR. SHOOK: Thank you, Your Honor. |
| 10 | BY MR. SHOOK: |
| 11 | Q Reverend Crouch, could you turn to Mass Media |
| 12 | Exhibit 133. |
| 13 | A Yes, sir, I'm there. |
| 14 | Q Now, in the first paragraph, the very last sentence, |
| 15 | if you could read that to yourself. |
| 16 | A Yes, sir, I've read that. |
| 17 | Q Now, where in March 1987 and there's a reference |
| 18 | here that stated "your TBN continues to lead the way as the |
| 19 | largest group owner of TV stations in America with over fifty |
| 20 | wholly owned stations", etc. |
| 21 | A Um-hum. |
| 22 | Q Now, what does that "fifty wholly owned stations" |
| 23 | refer to? |
| 24 | A Quite obviously full-power as well as low-power |
| 25 | stations. |

| • | | mbig includes both full and low-nower |
|----|------------|--|
| 1 | Q | This includes both full and low-power. |
| 2 | A | Obviously. |
| 3 | Ω | Well |
| 4 | A | Because we do not own fifty full-power stations even |
| 5 | today. | |
| 6 | Q | If I thought everything were obvious I wouldn't ask |
| 7 | the quest: | ion, that's why I asked the question. |
| 8 | A | Yes, sir. |
| 9 | Q | Now, turning to page 4, again we have the listing of |
| 10 | stations, | do you see that? |
| 11 | A | Yes, sir. |
| 12 | Q | And we have Alabama/Birmingham with a little |
| 13 | asterisk : | in front of it noting it as an affiliated station. |
| 14 | A | Yes, sir. |
| 15 | Q | And the rest are not. |
| 16 | A | Correct. |
| 17 | Ω | Now, does that mean that there are stations here |
| 18 | that a | ll the stations listed here then are owned and |
| 19 | operated? | |
| 20 | A | Again, the other stations have a commonality of |
| 21 | directors | • |
| 22 | Ω | Mass Media Exhibit 134. |
| 23 | A | Yes, sir. |
| 24 | Q | Now, this is a combination of two different |
| 25 | documents | , consists of three pages. I'm not so much |

interested in the -- your studying the subject matter, what I am interested in is the reference to Oroville Channel 28 which 3 you can see on the first page. Do you know what it is -- what is going on that National Minority TV is apparently in the 4 5 market or considering a second television station, this one being in Oroville, California? Mr. Shook, I'm sorry, I don't have any knowledge of 7 8 this proposed acquisition at all. 9 You knew nothing about explorations toward the 10 possible acquisition of a station in Oroville? 11 A I do not have any recollection of that at all. 12 Please turn to Mass Media Exhibit 137. 13 Yes, sir. A 14 Now, I recognize from this letter that you are not a 15 party to the letter nor are you copied on the letter. 16 However, it does concern National Minority TV and so to that 17 extent I would ask you to read it and then I'll ask you a 18 question about it. 19 Yes, sir, I've generally read it. 20 In March of 1987 had you had any contacts with either Jim Gammon or Colby May relative to the possible 21 acquisition by NMTV, and by that I mean National Minority TV, 22 23 of a station in Wilmington, Delaware? 24 Yes, sir, I'm a little confused here because I

didn't really recall this first contact being as early as 1987

25

2716

but apparently it was. Mr. Jim Gammon, a television station 2 broker, I do recall at one point called me and advised me that Channel 61, Wilmington, Delaware was, I believe, in 3 receivership and that it could be acquired for a favorable 4 5 price and I believe at that point I turned it over to Mrs. Duff again to work out the potential details. 6 7 Now, looking at the first page, the figures that 8 follow the Number 1, where it states "NMTV will pay 9 \$4,250,00", do you see that? 10 A Yes, sir. 11 Now, had that figure -- was that figure brought to 12 your attention by Mrs. Duff and that -- was that something 13 that you had specifically approved? 14 A I remember discussing the range of the possible 15 purchase price, I believe, with Mrs. Duff and agreed to it. 16 Had you brought this matter to the attention of 17 Reverend Espinoza? 18 I don't have any recollection of myself personally A 19 doing that. 20 And do you have any knowledge that in any not -- by Q 21 asking -- I'm asking you, do you have any knowledge that that 22 was done? 23 A No, sir. 24 (Off the record. Back on the record.)

FREE STATE REPORTING, INC.
Court Reporting Depositions
D.C. Area (301) 261-1902
Balt. & Annap. (410) 974-0947

Please turn to Mass Media Exhibit 139.

25

Q

| 1 | A Yes, sir. |
|----|--|
| 2 | Q Now, this is a letter from Colby May to Roy Stewart |
| 3 | who at the time was the chief of the video services division |
| 4 | of the Mass Media Bureau which was the part of the agency that |
| 5 | was reviewing the pending Odessa assignment application. With |
| 6 | respect to the information that appears here, do you recall |
| 7 | there being any conversations between yourself and Mr. May |
| 8 | relative to Mr. Stewart's request? |
| 9 | A No, sir. |
| 10 | Q Prior to today, do you recall seeing that letter, |
| 11 | being made aware of its contents? |
| 12 | A I may have had this letter brought to my attention |
| 13 | with many, many others during deposition and preparation for |
| 14 | this proceeding but I don't know, what is the question, I may |
| 15 | have seen it, yes. |
| 16 | Q Well, I take your awareness, though are you |
| 17 | saying that your awareness of this letter was not |
| 18 | contemporaneous with the sending of the letter? |
| 19 | A No, sir, it was not. |
| 20 | Q That it was very much later. |
| 21 | A Yes. |
| 22 | Q Now, please turn to Mass Media Exhibit 141. |
| 23 | A Yes, sir. |
| 24 | Q Now, I'd like you to turn to page 5. |
| 25 | A Yes, sir. |

| Q Do you see the listing here for TBN stations? |
|---|
| |
| A No oh, TBN stations, TBN foreign and affiliate |
| stations, yes. |
| Q All right, now, there is an initial grouping of |
| stations here or there are pictures, rather, of stations that |
| appear here. What common thread, if any, is there relative to |
| all the stations that are pictured here? |
| A On the entire page? |
| Q Yes, sir. |
| A Again, sir, I believe that it would simply be a |
| commonality of board members. |
| Q Well, it's true, is it not, that we do have all of |
| the owned and operated stations pictured here and I take it |
| you're pausing in terms of the Harlingen picture? |
| A Yes. |
| Q The Harlingen picture is the one that gives you |
| trouble then. |
| A I think we're agreed on a couple occasions earlier |
| that if there was majority of the board on the affiliated |
| station, it was a station that Trinity Broadcasting had an |
| interest in and could be referred to as a TBN owned and |
| operated. |
| Q I'd like you to turn to Mass Media Exhibit 145. |
| A Yes, sir. |
| Q Now, just read through this action by written |
| |

consent to yourself. 1 2 Yes, sir, I see this. Now, do you have -- can you tell us how it is that 3 this action by written consent came to be written? 4 5 A I vaquely recall that even in a Trinity Broadcasting Network meeting, I'm not sure if it was a formal board meeting 6 7 or not, the subject simply came up that it would be a good 8 idea for Trinity to indemnify its directors from potential 9 lawsuits and liability. It seems I remember a discussion of 10 that with Mr. Juggert and even other members of the board and I believe that it was simply the decision to recommend that 11 12 this indemnification be extended and made available to other 13 areas or at least recommend that other organizations such as 14 National Minority and CET, JED, extend the same basic 15 protection to its directors. 16 Would the person who generated this action then been 17 either yourself or Mr. Juggert? 18 A Generated what action? 19 The action by written consent that we're looking at 20 here. 21 I don't know, for a fact, who generated this instant A 22 document here but --23 Perhaps my terminology is not very good. 24 looking for is the person whose idea it was to have this 25 document written, is that coming from you or is it coming from